



NTL 89-1

Notice to Lessees and Operators of Onshore Federal and Indian Oil and Gas Leases Within the Jurisdiction of the New Mexico State Office (NTL 89-1 New Mexico)

Requirements to Operate on a Federal Lease and Notice of Change of Operator

I. Requirements to Operate on a Federal Lease

Changes in the Federal Register, dated May 16 and June 17, 1988, effective June 15 and 17, 1988, significantly affect the requirements to operate on a Federal lease. There are two requirements: (1) the person or entity must state in writing that it is responsible under the terms and conditions of the lease for operations conducted on the lease or a portion of the lease (43 CFR 3100.0-5 (a)) and (2) the person or entity must be covered by a bond (43 CFR 3104.2). A Designation of Operator is no longer applicable. This NTL does not apply to operations on Indian leases.

These requirements must be met (1) in order to obtain approval of an application for permit to drill (APD); (2) whenever a change in operator occurs; or (3) whenever requested by the BLM authorized officer (AO).

II. Acceptance of Responsibility Under the Terms and Conditions of the Lease

The person or entity meets the requirement of accepting responsibility for the leased lands and, if applicable, the formations within which operations are proposed or are taking place if one of the following conditions is met: (1) the entity is the lessee or holds record title interest in the lease; or, (2) the person or entity holds operating rights in the lease; or (3) by signing a statement accepting responsibility for operations conducted on the lease or a portion of the lease.

III. Status of Existing Lessees and Holders of Record Title Interest or Operating Rights

Lessees and holders of record title interest or operating rights that are sufficiently bonded need not take any action under this NTL to meet the requirements to operate on a Federal lease in which they have an existing interest.

IV. Statement Accepting Responsibility for Operations

A person or entity meets the requirement of accepting responsibility by providing a statement signed by an authorized person and dated, as follows. Bond coverage would be subject to verification by the AO.

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No.: Bond Coverage (state if
individually bonded or
under another's bond.)

Legal Description of Land:

Formation(s)(if applicable BLM Bond File No.:

Date:

Authorized Signature:

Title:

V. Bond Coverage

The operator is required to provide bond coverage. Bond obligations and the types of bonds are outlined in 43 CFR 3104. The operator may be covered by a bond in his/her own name or a bond in the name of the lessee, a record title holder, or operating rights owner, provided that there is consent of the surety (or obligor in the case of a personal bond) to include the operator under the coverage of the lessee's, record title holder's, or operating rights owner's bond. The bond must cover the lease or portion of the lease and, if applicable, the formations involved or proposed to be involved, in the operation. The bond or the consent of surety must be furnished by the operator to the Bureau of Land Management, New Mexico State Office, Oil and Gas Lease Maintenance Staff, NM (943C-3), P.O. Box 27115, Santa Fe, NM 87504-7115.

VI. Notification of Change of Operator

The regulations at 43 CFR 3162.3 require that the AO be promptly notified in writing whenever there is a change of operator. For the purposes of this NTL, notification of change of operator shall be made by the new operator to the BLM District Manager in whose District the lease is located, within 30 days of the date of the change.

The notification shall state how the new operator meets the requirements of acceptance of responsibility and bonding or a Statement Accepting Responsibility for Operations shall be provided.

Notification will be by lease, listing all wells on the lease affected by the change. Wells will be identified by number, name, and location.

APPROVED: Date: 11-3-89 Larry L. Woodard
New Mexico State Director